



COMMUNITY DEVELOPMENT COMMISSION

County of Los Angeles

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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

July 20, 2004

Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVE ACTIONS RELATED TO THE COMPLETION OF THE CENTRO
ESTRELLA PROJECT (1)
(3 Vote)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Executive Director of the Commission to execute Amendment No. 2 to the Construction Agreement, presented in substantially final form, and all related documents, to reimburse Swinerton Builders for compensable delays that arose during development of the Centro Estrella project, located at 4701 East Cesar E. Chavez Avenue in the Maravilla Community Redevelopment project area, and for additional unforeseeable County of Los Angeles Fire Department requirements, to be effective following approval as to form by County Counsel and execution by all parties; and authorize the Executive Director to prepare and execute any other documents required for the close out of the Centro Estrella project.
2. Authorize the Executive Director to use \$195,127 in Community Development Block Grant (CDBG) funds allocated to the First Supervisorial District for the purpose described above and to incorporate the CDBG funds into the Commission's approved Fiscal Year 2004-2005 budget.
3. Authorize the Executive Director to receive and incorporate into the Commission's approved Fiscal Year 2004-2005 budget \$60,803 from the

County of Los Angeles Department of Public Works to reimburse the Commission for off-site improvements at the Centro Estrella project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to amend the Construction Agreement with Swinerton Builders and close out construction of the Centro Estrella project by July 30, 2004.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. CDBG funds allocated to the First Supervisorial District, in the amount of \$195,127, will be used to increase the total Construction Agreement amount from \$5,350,000 to \$5,545,127. Additionally, the County of Los Angeles Department of Public Works will reimburse the Commission \$60,803 for off-site improvements performed by Swinerton Builders.

The \$195,127 in CDBG funds allocated to the First Supervisorial District and the \$60,803 received from the Department of Public Works will be incorporated into the Commission's approved Fiscal Year 2004-2005 budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Centro Estrella, formerly known as the East Los Angeles Family Resource Center, consists of an approximately 23,000 square-foot building located on a 52,000 square-foot property on the northeast corner of East Cesar E. Chavez Avenue and Dangler Avenue. Half of the space will be used to relocate and expand mental health services currently offered at the Los Angeles County Department of Mental Health's Roybal Mental Health Clinic. The remaining space will be used by the Associated League of Mexican Americans, a non-profit agency, to provide mental health services, family and peer programs, after-school enrichment programs, childcare services and aquatic programs. The facility includes a childcare center, group rooms, staff offices, counseling rooms, kitchen areas for life skills classes, a swimming pool, and surface parking for approximately 60 cars.

On July 16, 2002, your Board approved a Construction Agreement with Swinerton Builders for development of Centro Estrella. Commencement of construction was delayed in order for the Commission to assess and reconcile unforeseen site conditions discovered after execution of the Construction Agreement.

On July 15, 2003, your Board approved Amendment No.1 to the Construction Agreement to provide additional construction services and to reimburse Swinerton Builders for delays caused by the differing site conditions. These services included over excavation and soil import and compaction to bring the site to a suitable condition for construction of the building.

Amendment No. 2 to the Construction Agreement will provide funding for increased costs resulting in compensable construction delays, as well as funding for additional services, including modifications required by the County's Fire Department, as a result of the Department of Mental Health's expanded operational services.

Construction delays occurred during development of design documents for the telecommunications, network, and security systems. The Department of Mental Health originally planned to contract with the Internal Services Department (ISD) to design and install the work in question. However, ISD determined it was unable to meet the design schedule. To expedite completion of the project, the design and installation of the above systems was shifted to Swinerton Builders. Because these elements were not included in the scope of work in the original Construction Agreement with Swinerton Builders, and because development of the design documents required substantial interface with the contractor once construction was underway, delays have been encountered, increasing the Construction Agreement cost.

Additionally, as a result of a change in the Department of Mental Health's operational requirements after construction was substantially complete, the County Fire Department requires modifications to the building before issuing a Certificate of Occupancy.

Pursuant to Sections 15 and 16 of the General Conditions to the Construction Agreement, the above conditions are valid bases for modifying the Agreement.

ENVIRONMENTAL DOCUMENTATION:

An Environmental Assessment was prepared for the project pursuant to the requirements of the National Environmental Policy Act of 1969 (NEPA). Based on the conclusions and findings of the Environmental Assessment, a Finding of No Significant Impact was adopted by the County of Los Angeles on October 2, 2001. Following the required public and agency comment period, the U.S. Department of Housing and Urban Development issued a Release of Funds for the project effective November 4, 2001.

Consistent with the provisions of the California Environmental Quality Act (CEQA) Guidelines, Article 14, Section 15221, notice was provided to the public that the Environmental Assessment would be used in place of an Initial Study to satisfy CEQA requirements. Based on the conclusions and findings of the Environmental Assessment, a Mitigated Negative Declaration was adopted by the County of Los Angeles on July 16, 2002. Filing of the Notice of Determination on July 19, 2002 along with adoption of the Mitigated Negative Declaration, in conjunction with the Mitigation Monitoring Plan, meets the requirements of CEQA.

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The Amendments do not substantially increase the project scope and, therefore, do not alter the findings previously made by your Board pursuant to the requirements of NEPA and CEQA.

The environmental review record for this project is available for viewing by the public during regular business hours at the Commission's main office located at 2 Coral Circle, Monterey Park.

IMPACT ON CURRENT PROJECT:

The proposed actions will enable the Commission to complete the Centro Estrella Project and will allow for the delivery of programs and services to residents of unincorporated East Los Angeles.

Respectfully submitted,

CARLOS JACKSON
Executive Director

Attachment: 1

COMMUNITY DEVELOPMENT COMMISSION
COUNTY OF LOS ANGELES

CONSTRUCTION AGREEMENT
FOR THE CENTRO ESTRELLA PROJECT

Amendment No. 2

THIS AMENDMENT TO AGREEMENT is made and entered into this ____ day of ____, 2004, by and between the Community Development Commission of the County of Los Angeles, hereinafter called the "Commission" or "CDC," and Swinerton Builders, hereinafter called the "Contractor" and referred to collectively as "the Parties."

WITNESSETH THAT:

WHEREAS, the Parties entered into a Agreement on July 16, 2002, for construction of Centro Estrella formerly known as the East Los Angeles Family Resource Center, (the Project) at 4701 East Cesar E. Chavez Avenue, Los Angeles, California; and

WHEREAS, the Parties entered into Amendment No. 1 to said Agreement on July 15, 2003; and

WHEREAS, it now becomes necessary to again amend said Agreement and both parties are desirous of such amendment; and

WHEREAS, total compensation for this amendment is One Hundred and Ninety Five Thousand and One Hundred Twenty Seven Dollars (\$195,127).

NOW, THEREFORE, in consideration of the mutual undertakings herein, the parties hereto agree that the Agreement, be amended as follows:

ARTICLE 3 of the Agreement - COMPENSATION

3.1.2 General Conditions for the Construction of the Project is hereby amended as follows:

Lump Sum General Conditions Price of Seven Hundred and Forty Three Thousand, Five Hundred and Sixty Dollars and No Cents (\$743,560.00), shall be increased by One Hundred and Ninety Five Thousand One Hundred and Twenty Seven Dollars and No Cents (\$180,958.00), for a total of Nine Hundred Twenty Four Thousand and Five Hundred and Eighteen Dollars and No Cents (\$924,518.00), as sole and complete compensation to Contractor for all additional and existing General Conditions costs (including but not limited to all Project staffing, job site offices, utilities, equipment, tools, supplies, operations and services, overhead, fee, bonds, and insurance as specified in the Bid Form) to

construct the Project, including, without limitation, all such General Conditions for the extra work and services associated with this Amendment.

ARTICLE 4 of the Agreement – TIME

4.3 CONTRACT COMPLETION, is hereby amended as follows:

Contractor shall diligently prosecute the Work to achieve Contract Completion by July 30, 2004, including additional scope described within this Amendment No. 2 to the Agreement.

ARTICLE 6 of the Agreement – GUARANTEED MAXIMUM PRICE (GMP)

6.5 EXECUTION OF GMP, is hereby amended as follows:

This Amendment to the GMP in an amount not to exceed One Hundred and Ninety Five Thousand One Hundred and Twenty Seven Dollars and No Cents (\$195,127.00) increases the GMP from Five Million Three Hundred and Thirty Thousand Dollars and No Cents (\$5,350,000.00) to the new GMP of Five Million Five Hundred Forty Five Thousand and One Hundred and Twenty Seven Dollars and No Cents (5,545,127.00). Contractor's obligations with respect to the construction of the Work covered by this Amendment shall be governed by the terms and conditions of the Agreement and other Contract Documents, as amended herein.

ARTICLE 15 of the General Conditions

CHANGES IN THE WORK

Contractor will perform Work as shown on Delta 7 drawings issued by Carde Ten Architects, herein incorporated by reference, requested by the County of Los Angeles Fire Department as follows: Change of the door swing on the east side to allow additional exit path from the second floor lobby, installation of panic hardware on the same door, changing the keypad to deactivate the alarm, installation of door alarm to sound in the event that door is opened without first using the keypad, and construction of a handicap ramp to allow additional exiting path from childcare area along E. Cesar E. Chavez Avenue.

The total value of this additional work scope is Fourteen Thousand One Hundred Sixty Nine Dollars (\$14,169) based on a Lump Sum bid from the Contractor and to be verified by Actual Cost.

This Amendment No. 2 constitutes a mutual accord and satisfaction whereby all claims of the Contractor against the Commission which arise out of, or are related to, the changes referred to in this Amendment No. 2 to Agreement including, without limitation,

any claim for extra work, time, delay, disruption, impact and extended home and field office overhead are hereby satisfied and are waived and released by Contractor.

All other terms and provisions of the Agreement, as amended, shall apply and remain in full force and effect.

IN WITNESS WHEREOF, the Commission and Contractor, through their duly authorized officers, have executed this amendment as of the day first above written.

COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES

SWINERTON BUILDERS

By _____
CARLOS JACKSON
Executive Director

By _____
RON NORTHUP
Principal

Date: _____

Date: _____

Approved as to Program:

By _____
CORDE CARILLO
Director, Economic Redevelopment

Date: _____

Approved as to form:

OFFICE OF COUNTY COUNSEL

By _____
Deputy County Counsel

Date: _____